

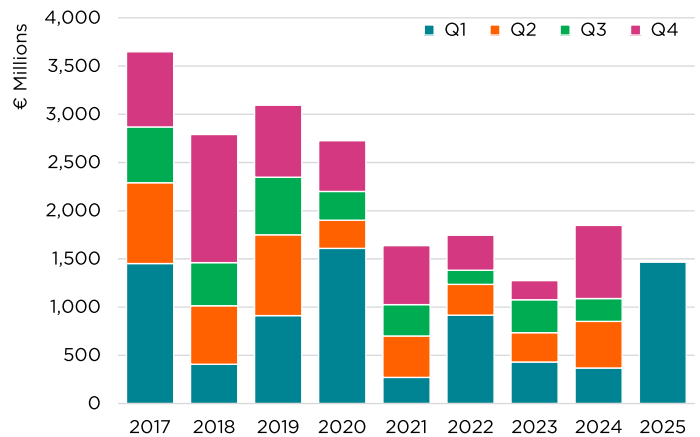
Czech Republic Investment Market



Investment Market Highlights

- The year has started on a strong note, with investment volume in the Czech Republic reaching nearly €1.47 billion in Q1 2025, the highest quarterly level since Q1 2020, already amounting to 79% of the total volume transacted in all of 2024.
- The strong Q1 performance was largely driven by heightened trading activity in the industrial and hotel sectors. Notably, a single industrial portfolio transaction was responsible for 25% of the quarter's volume, underscoring the sector's continued appeal to investors. Hotels followed closely, capturing the second-largest share at 23%, reflecting renewed confidence in the hospitality market. Retail assets and office properties also saw healthy levels of activity, contributing 20% and 19% to the Q1 volume, respectively.
- Domestic investors maintained their dominant position, accounting for 72% of acquisitions completed in Q1 2025. Meanwhile, the market also attracted American capital, which was behind 25% of the quarter's transaction volume.
- Prime yields remained stable across most sectors, with a slight compression observed in the industrial segment.

Transaction Volumes



Quarterly Statistics

Investment Volume

€1.47B

YoY change: +298%

Office Yield

5.25%

YoY change: none

Industrial Yield

5.15%

YoY change: -10 bps

Retail Yield

6.25%

YoY change: -25 bps

Economic Indicators¹

GDP Growth

+2.0%

(2025 Forecast, YoY)

Inflation

+2.4%

(2025 Forecast, YoY)

Policy Rates

2.6%

3M EURIBOR²

Policy Rates - ČNB

3.75%

2-WEEK REPO RATE

¹ Based on the data available on 16/4/2025 (Source: Czech Statistical Office, Czech National Bank, Ministry of Finance, European Central Bank);

² Q1 2025 average

Market Review Q1 2025

Investment Activity

- The increase in investment activity seen in the Czech Republic during the final quarter of 2024 carried over into the new year. With some transactions postponed from Q4, the first quarter of 2025 registered an impressive investment volume of nearly €1.47 billion.
- Transaction volumes were relatively well balanced across key commercial sectors, with 25% directed toward industrial assets, 23% represented by hotels, 20% by offices, and 19% allocated to the retail sector.
- This uptick in market momentum was reflected not only in the transaction volume but also in the number of deals completed. A total of 22 transactions closed in Q1 2025 — the highest quarterly count since Q4 2019. The office sector led in terms of transaction count, with all but one deal involving Prague-based properties. The hotel sector followed, with four assets changing hands this quarter.
- Domestic capital continued to dominate the investment landscape, accounting for 72% of the total Q1 2025 volume and backing 20 out of the 22 transactions completed.

Forecast

- The year started well with Q1 2025 already having concluded deals to the value of 79% of the full 2024 yearly transaction volume. We expect that the pace of Closings will slow during Q2 as new deals are put into exclusivity, though the level of on-going market activity suggests that the second half of 2025 is going to see strong investment volumes. We are seeing interest in all sectors, though the paucity of investment grade industrial stock continues to restrict activity in this sector. Investor appetite continues, and we note that a wider base of non-domestic investors are again showing increasingly strong interest in the Czech market.

Glossary of used terms



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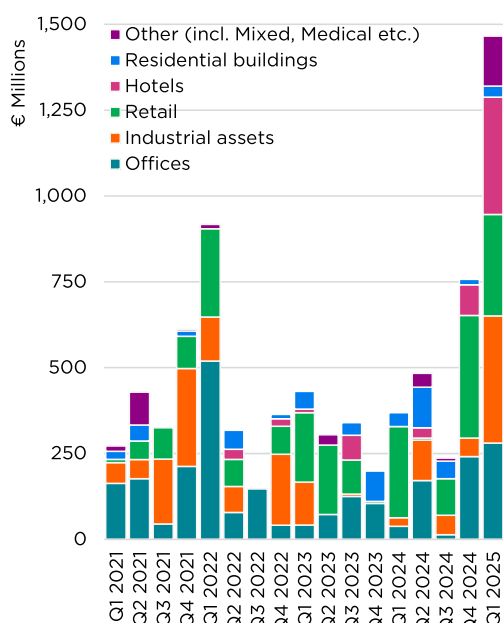
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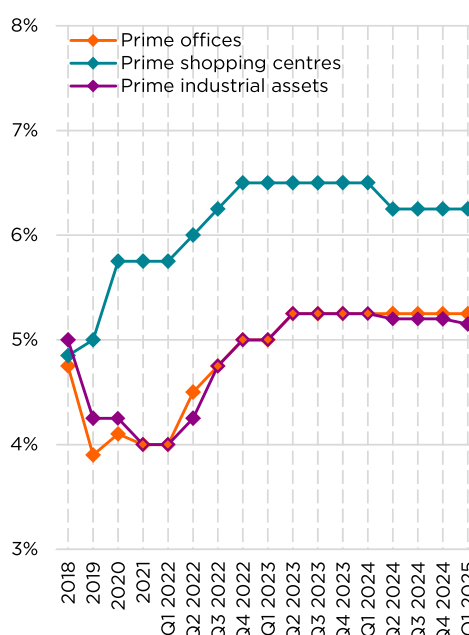
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Investment Volume by Sectors



Prime Yields



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